



"Black Friday" Plunge As Market Rattled By Covid Variant

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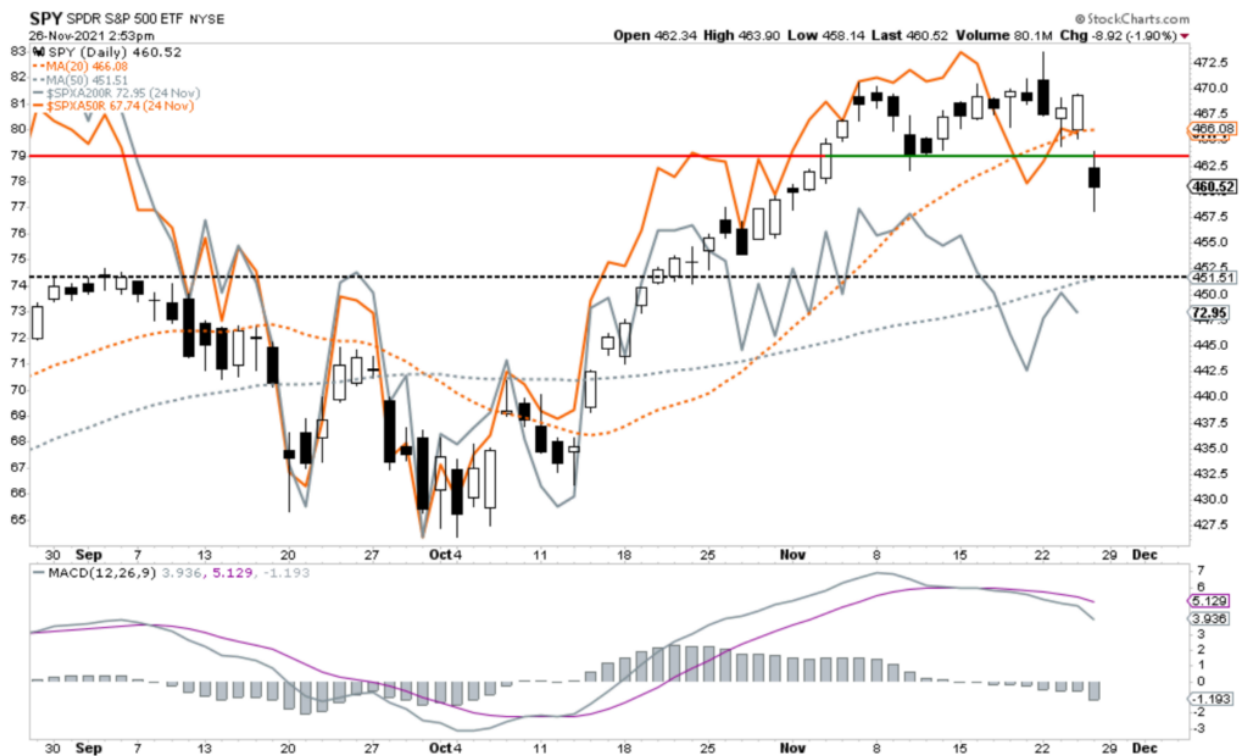


"Black Friday" As Market Plunges

Last week, we discussed the weakness of the underlying market as "FOMO" had returned to the market.

"The only concern we have is the lack of breadth as of late. As shown, the number of stocks above the 50-dma turned sharply lower this week. Furthermore, they are well below levels when markets typically make new highs. The same goes for the number of stocks trading above their 200-dma's."

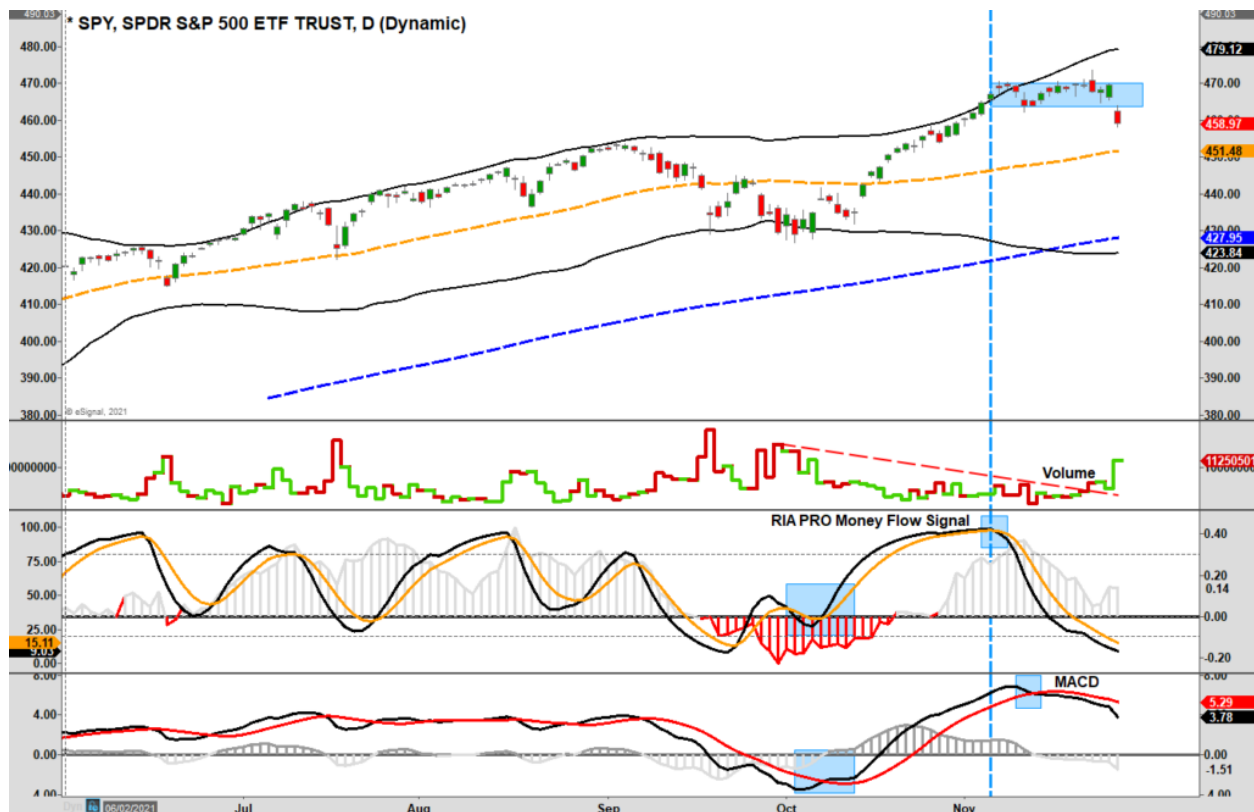
Chart updated through Friday.



Over the last couple of weeks, the market has been warning to the risk of a downturn, all that was needed was a catalyst to change sentiment.

That occurred as news of a new "Covid" variant broke, stocks marked "Black Friday" by plunging firmly through the 20-dma and support at recent lows. Notably, that downside break broke the consolidation pattern (*blue box in the chart below*) that began in early November. While there is some minor support around 4550, critical support lies at the 50-dma at 4527. That support level also corresponds to the September peak.

With mutual fund distributions running through the first two weeks of December, there is additional downside pressure on stocks near term. **However, our "money flow sell" signal is firmly intact and confirmed by the MACD signal. Such suggests we continue to maintain slightly higher levels of cash.**



Notably, the market is getting oversold near-term, with the money-flow signal depressed. Such suggests that any further weakness will provide a short-term trading opportunity. As discussed last week, the statistical odds are high that we will see a "Santa Rally" as most professional managers will position for year-end reporting.

Just remember, nothing is guaranteed. We can only make educated guesses.

Will The Fed Slow Their Roll

While "Black Friday" usually marks the beginning of the retail shopping season, the question is whether the new "variant," which is flaring concerns of additional lock-downs, will reverse the current economic recovery. [As Barron's notes](#), it will be worth watching the Fed closely.

"Fixed-income markets are signaling that the Federal Reserve will have to increase interest rates sooner than expected, which could put a dent in the stock market.

The yield on the 2-year Treasury note has gone from 0.5% in early November to 0.64% as of Wednesday. The move suggests that investors expect the Fed to raise interest rates to combat inflation that remains higher than expected because of soaring consumer demand and supply chains that are struggling to match demand.

Indeed, minutes released Wednesday from the Fed's meeting earlier this month show that members of the central bank are prepared to increase rates sooner than previously anticipated if inflation remains high."

Of course, this was before "Black Friday" sent yields plunging 10% lower in a single day. Suddenly, the bond market is starting to question the sanity of hiking rates in the face of an ongoing pandemic.



While many pundits have suggested higher interest rates won't matter to stocks, as we will discuss momentarily, they do matter and often matter a lot.

The surge in the new variant gives the Fed an excuse to hold off tightening monetary policy even though inflationary pressures continue to mount. But, what is most important to the Fed is the illusion of *"market stability."*

What *"Black Friday's"* plunge showed was that despite the Fed's best efforts, *"instability"* is the most significant risk to the market and you.

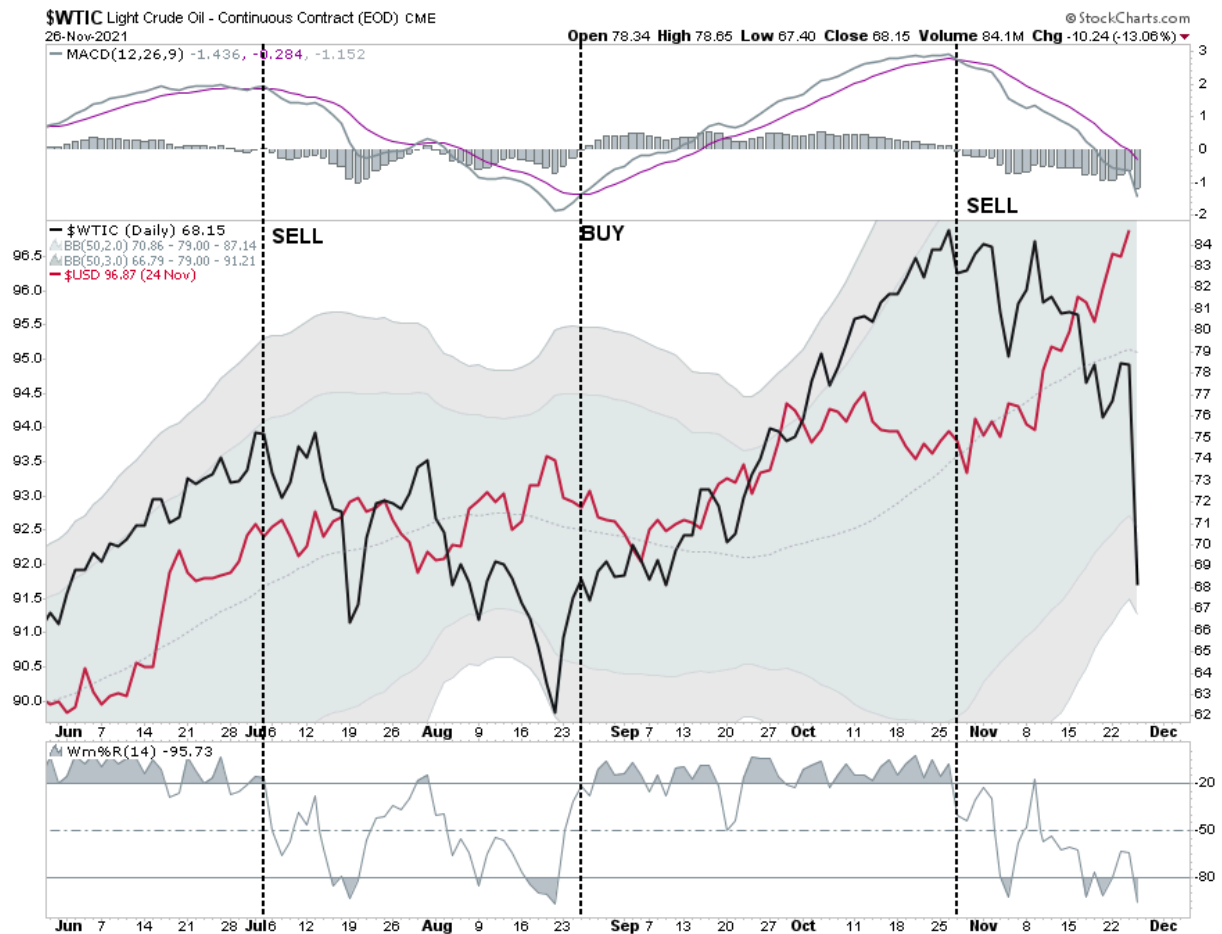
More on this in a moment.

[dmc]

Time To Buy Oil?


Once a quarter, I review the [Commitment Of Traders report](#) to see where speculators place their bets on bonds, the dollar, volatility, the Euro, and oil. In October's update, I looked at oil prices that were then pushing higher as speculators were sharply increasing their net-long positioning on crude oil.

We suggested then that **"the current extreme overbought, extended, and deviated positioning in crude will likely lead to a rather sharp correction."** (*The boxes denote previous periods of exceptional deviations from long-term trends.*)



While the dollar could certainly rally further heading into year-end, oil prices are becoming much more attractive from a trading perspective. The recent correction did violate the 50-dma, which will act as short-term resistance. However, prices are beginning to reach more attractive oversold levels.

There are also reasons to believe higher oil prices are coming.



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Higher Oil Prices Coming

The Biden administration released oil from the "Strategic Petroleum Reserve," attempting to lower oil prices. He also tasked the DOJ to "investigate oil companies for potential price gouging." These actions are thinly veiled attempts to regain favor with voters but will not lower oil prices.

Oil prices are NOT SET by producers. Instead, speculators and hedgers set oil prices on the NYMEX. Think about it this way:

- ***If oil companies are setting prices to "reap profits," why did oil prices go below ZERO in 2020?***
- ***Furthermore, would producers need to "hedge" current production against future delivery?***

There are two drivers reflecting positioning by speculators and hedgers:

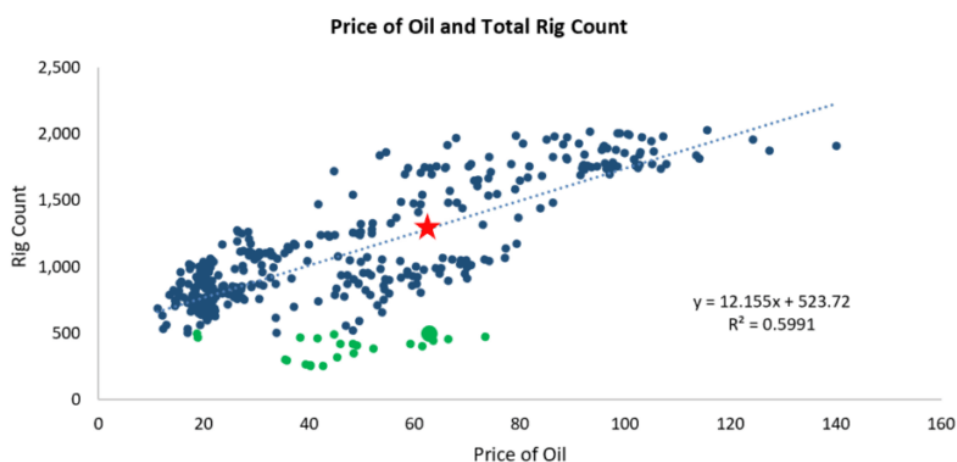
1. *The expected supply and demand for oil; and,*
2. *The value of the dollar.*

The more critical problem comes from the Administrations' attack on production over "*climate change*" policies. As noted in [Crude Investing: Energy Stocks & ESG \(kailashconcepts.com\)](https://kailashconcepts.com):

"This isn't rocket science. Look at the sharply lagging rig response to the rise in energy prices post the Covid crash. This is an anomaly."

According to history, there should be ~1,300 rigs in operation today based on current oil prices. With only ~480 rigs running today, oil's prospects may be bright over the long haul."

Fig. 4: The **Current Rig** Count Has Historically Suggested a Rise in Oil Prices

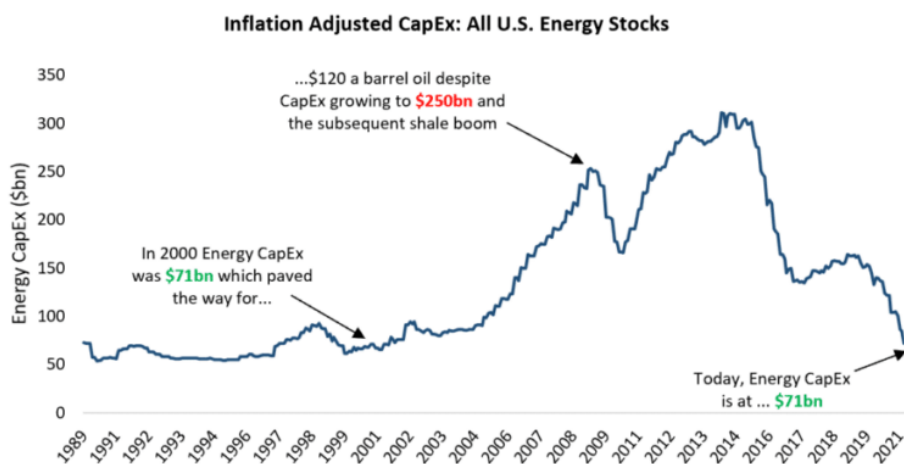


Source: Kailash Capital, LLC, Bloomberg; Data from 12/31/1989-7/31/2021

With output at such low levels, OPEC+ refusing to increase production, and "*inefficient clean energy*" increasing demand on "*dirty energy*," higher future prices are likely.

If the economy falls into a tailspin, oil prices will fall along with demand, so nothing is assured. However, the ongoing decline in CapEx in the industry suggests production will continue to contract, leaving it well short of future demand.

Fig. 1: Collapsing CapEx, ESG & "Peak Energy Demand" May Set the Stage for Higher Energy Prices

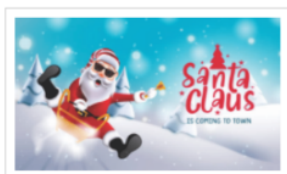


Source: Kailash Capital, LLC; Data from 12/31/1989-7/31/2021

Chart courtesy of Kailash Concepts

That is the perfect environment for higher prices.

In Case You Missed It



Santa Claus Rally Is Coming, But Will Markets Correct First?

Written by Lance Roberts | Nov 23, 2021

Investors have high hopes for the annual "Santa Claus" rally. But, could there be a...

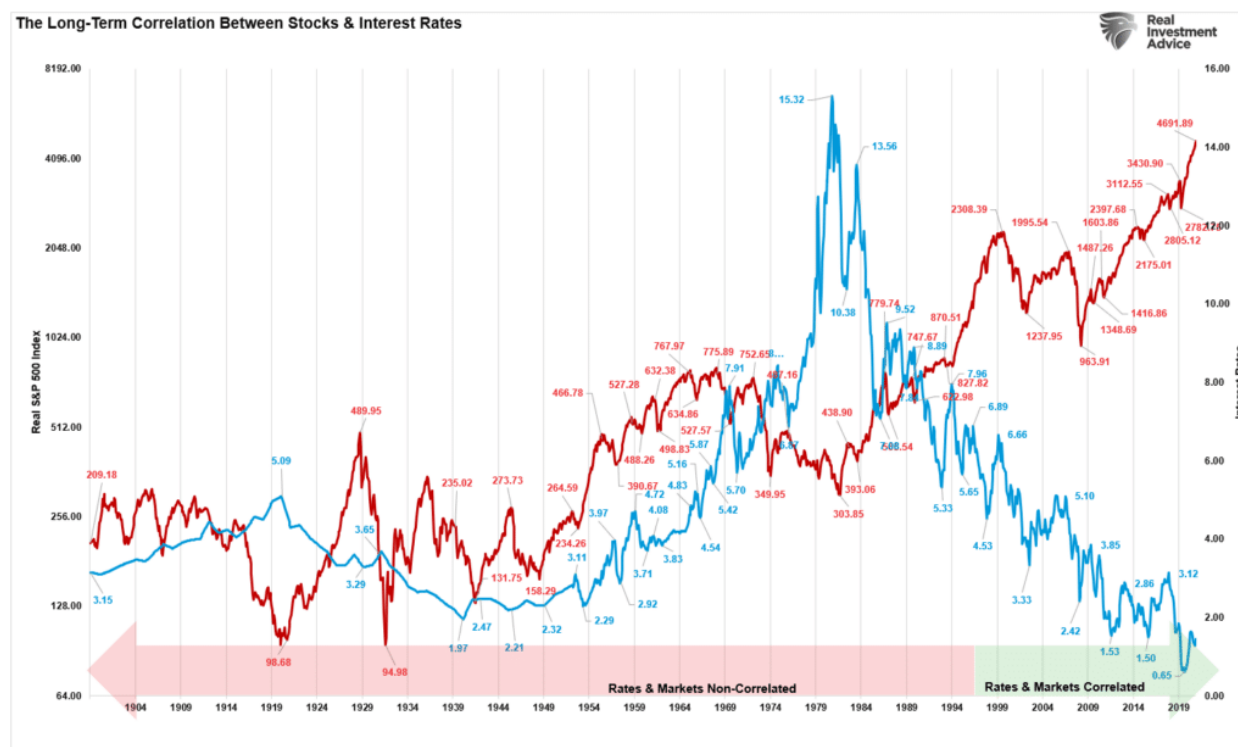
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Higher Interest Rates Will Lead To Market Volatility

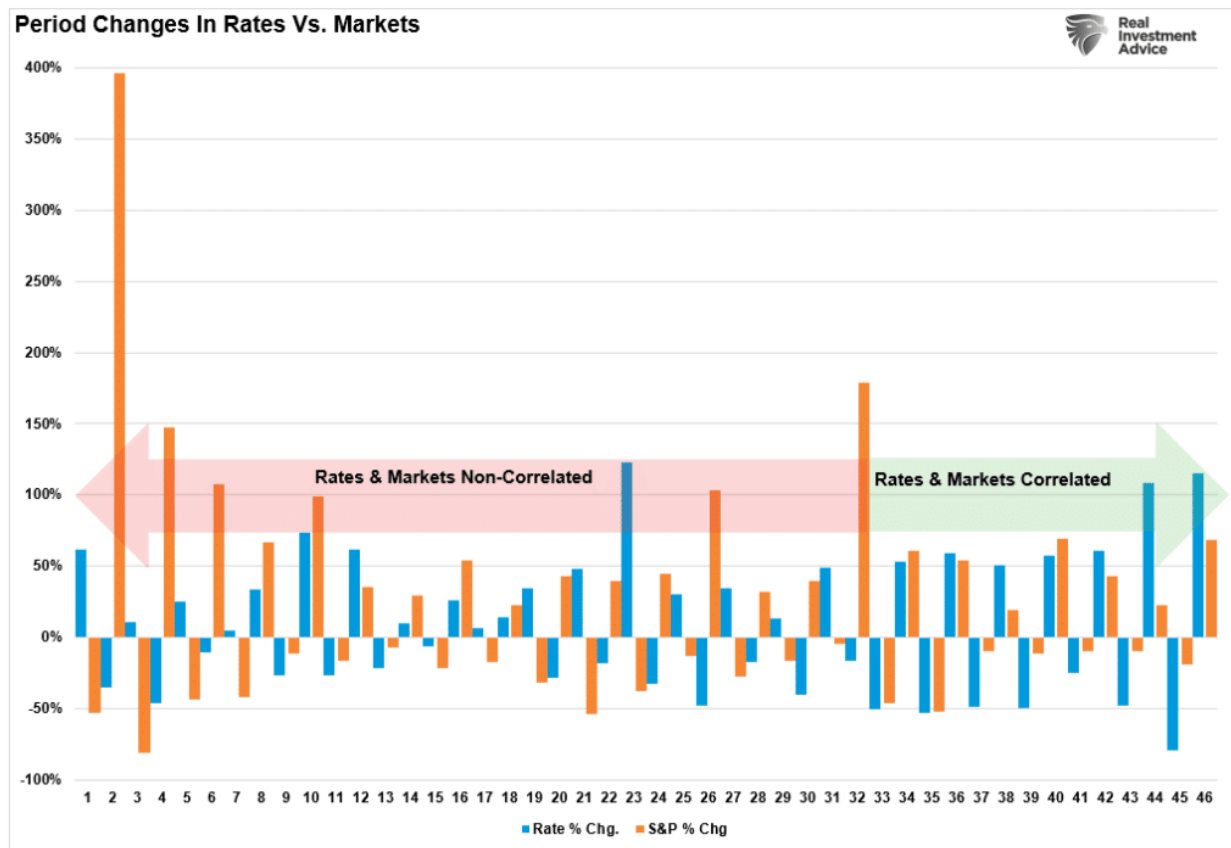
Did "Black Friday's" plunge send a warning about rates? Last week, we discussed that it isn't a question of if, but only one of when.

I showed the correlation between [interest rates and the markets](#). With the sharp drop in rates, it is worth reminding you of the analysis. **It is all about "instability."**

The chart below is the monthly ?real,? inflation-adjusted return of the S&P 500 index compared to interest rates. The data is from Dr. Robert Shiller, and I noted corresponding peaks and troughs in prices and rates.



To try and understand the relationship between stock and bond returns over time, I took the data from the chart and broke it down into 46 periods over the last 121-years. What jumps is the high degree of non-correlation between 1900 and 2000. **As one would expect, in most instances, if rates fell, stock prices rose. However, the opposite also was true.**



Rates Matter

Notably, since 2000, rates and stocks rose and fell together. So bonds remain a "haven" against market volatility.

As such, In the short term, the markets (*due to the current momentum*) can **DEFY the laws of financial gravity** as interest rates rise. **However, as interest rates increase, they act as a "brake" on economic activity.** Such is because higher rates **NEGATIVELY** impact a highly levered economy:

- Rates increases debt servicing requirements reducing future productive investment.
- Housing slows. People buy payments, not houses.
- Higher borrowing costs lead to lower profit margins.
- The massive derivatives and credit markets get negatively impacted.
- Variable rate interest payments on credit cards and home equity lines of credit increase, reducing consumption.
- Rising defaults on debt service will negatively impact banks which are still not as well capitalized as most believe.
- Many corporate share buyback plans and dividend payments are done through the use of cheap debt.
- Corporate capital expenditures are dependent on low borrowing costs.
- The deficit/GDP ratio will soar as borrowing costs rise sharply.

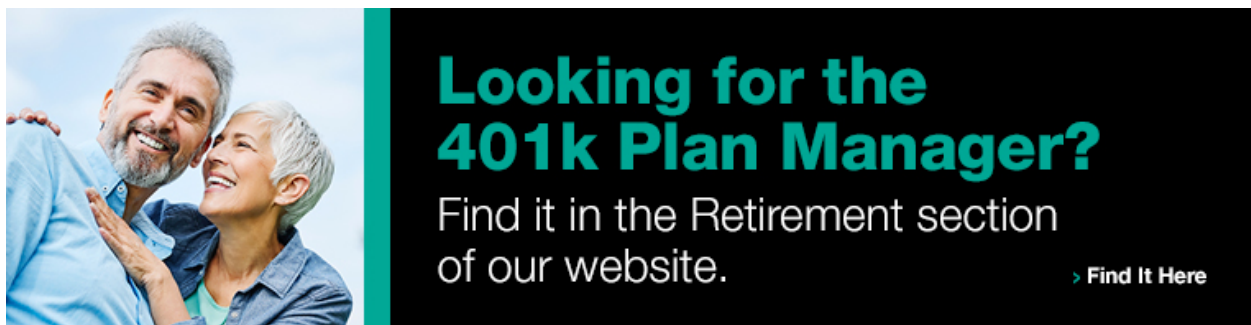
Critically, for investors, one of the main drivers of assets prices over the last few years was the rationalization that *"low rates justified high valuations."*

Either low-interest rates are bullish, or high rates are bullish. Unfortunately, they can't be both.

What *"Black Friday's"* plunge showed was the correlation between rates and equity prices remains. Such is due to market participants' *"risk-on"* psychology. However, that correlation cuts both ways. When something changes investor sentiment, the *"risk-off"* trade (*bonds*) is where money flows.

The correlation between interest rates and equities suggests that bonds will remain a haven against risk if something breaks given **exceptionally high market valuations**. The market's plunge on *"Black Friday"* was likely a *"shot across the bow."*

It might just be worth evaluating your bond allocation heading into 2022.



The advertisement features a photograph of a smiling older couple on the left. To their right, on a black background, is the text: "Looking for the 401k Plan Manager? Find it in the Retirement section of our website." with a green arrow pointing to a link that says "Find It Here".

Portfolio Update

We made no substantive changes to portfolio allocations this past week given due to the holidays. Generally, the week of Thanksgiving is a poor indicator of market sentiment given the *"inmates are running the asylum."*

Therefore, despite the market swinging around a good bit this past week, we will re-evaluate our positioning and holdings when institutional traders return to their desks next week.

However, as a reminder:

*"Over the last two weeks, we took profits in overbought and extended equities. We also shortened our bond duration by trimming our longer-duration holdings. Such actions rebalanced portfolio risk short-term. **In addition, we run a 60/40 allocation model for our clients; such left us slightly underweight equities and bonds and overweight cash.**"*



Despite the sell-off on Friday, the bullish bias remains strong. We also remain in the "*seasonally strong*" period of the year, and the seemingly endless supply of money continues to flood into equities.

However, as discussed most of this week, mutual fund distributions will begin in earnest and continue through the second week of December. **Such suggests we could see some additional volatility and potential weakness in the market as those distributions get made.**

Critically, any correction will provide a decent entry point for the year-end "*Santa Claus*" rally and the first week of January, which tend to be strong. Therefore, we will try and take advantage of that.

While Friday's plunge likely shocked you out of your "*tryptophan-induced*" coma, I hope you had a Happy Thanksgiving.

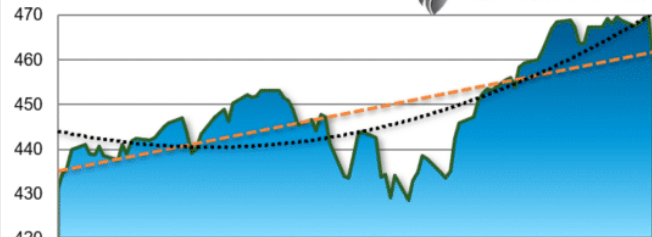
See you next week.

By Lance Roberts, CIO

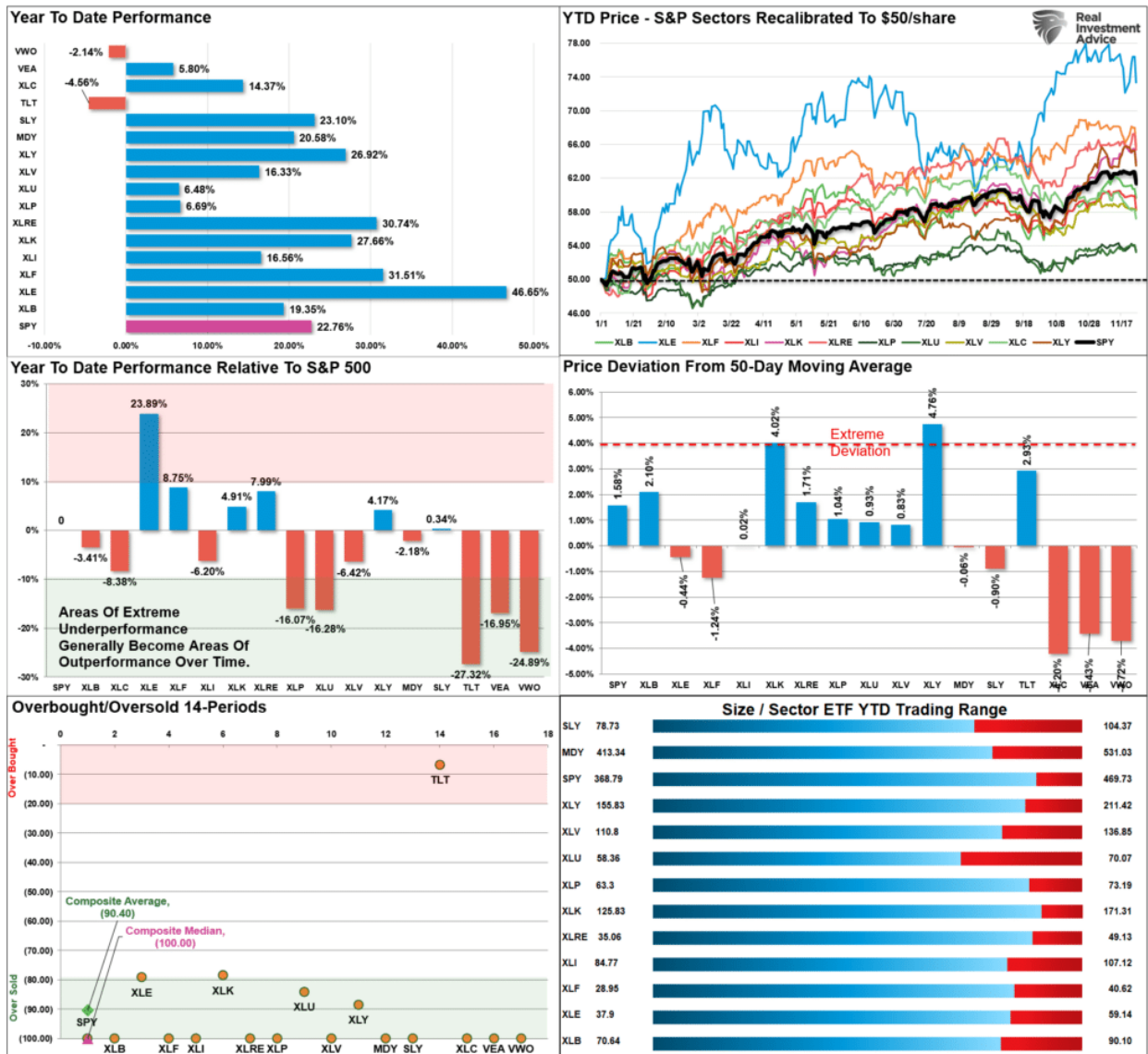
Market & Sector Analysis

Analysis & Stock Screens Exclusively For RIAPro Members

S&P 500 Tear Sheet

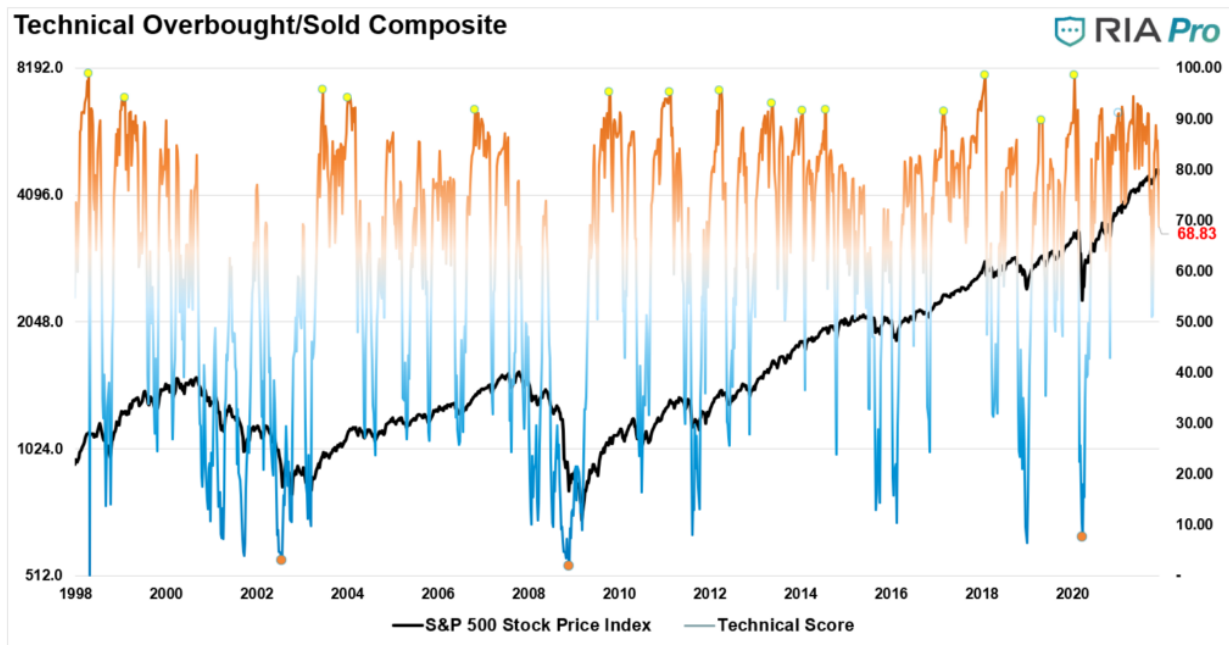
| 3 Month SPY Price | | | | | | | | | SPY RISK INFO | | | | |
|---|---------------------|-------------|---------|--------------------|--------------------|---------------------|--------------------|---------------|------------------|--------------------|--------------------------|------------|---------------------|
|  | | | | | | | | | Item | T 2-Yr | T 1-Yr. | YTD | % Diff YTD/T1-YR |
| | | | | | | | | | Price Return | 46.13% | 26.56% | 22.76% | (14.30%) |
| | | | | | | | | | Max Drawdown | (35.63%) | (6.10%) | (6.10%) | 0.00% |
| | | | | | | | | | Sharpe | 0.91 | 2.67 | 2.17 | (0.19) |
| | | | | | | | | | Sortino | 0.98 | 3.22 | 2.88 | (0.10) |
| | | | | | | | | | Volatility | 25.13 | 12.07 | 12.45 | 0.03 |
| | | | | | | | | | Daily VaR-5% | (14.52) | 9.37 | 6.57 | (0.30) |
| | | | | | | | | | Mnthly VaR-5% | (7.74) | 6.82 | 11.30 | 0.66 |
| S&P 500 Market Cap Analysis | | | | | | | | | | | | | |
| Item | 2 years ago | 1 year ago | Current | 1 Yr % Change | 5 Year High | 5 year Low | % From High | % From Low | Item | 12-M Ago | Current | % Chg | |
| Dividend Yield | 1.80% | 1.59% | 1.24% | (28.39%) | 2.14% | 1.20% | (42.29%) | 2.75% | Shares | 2,859.2 | 2,772.6 | (3.03%) | |
| P/E Ratio | 19.79 | 26.38 | 23.96 | (10.13%) | 2903% | 1643% | (17.5%) | 45.77% | Sales | 67,973 | 76,986 | 13.26% | |
| P/S Ratio | 3.78 | 4.09 | 4.97 | 17.66% | 5.12 | 3.15 | (2.94%) | 57.91% | SPS | 23.8 | 27.8 | 16.80% | |
| P/B Ratio | 5.04 | 5.38 | 7.03 | 23.52% | 7.06 | 4.17 | (0.43%) | 68.58% | Earnings | 10,251 | 14,735 | 43.74% | |
| ROE | 21.78% | 19.98% | 27.97% | 28.54% | 27.97% | 17.68% | 0.00% | 58.21% | EPS TTM | 4.0 | 5.8 | 42.72% | |
| ROA | 4.28% | 3.71% | 4.99% | 25.54% | 4.99% | 3.51% | 0.00% | 41.89% | Dividend | 1.5 | 1.7 | 8.77% | |
| S&P 500 Asset Allocation | | | | | | | | | | | | | |
| Sector | 1 Year Price Return | Weight | Beta | P/E | P/E High-5yr (Mo.) | P/E Low - 5Yr (Mo.) | P/E % From Peak | ROE | DIV. YIELD | TTM Earnings Yield | Current Forward Earnings | Forward PE | |
| Energy | 43.87% | 2.80% | 1.78 | 21.61 | 120.90 | (330.04) | (82.1%) | 8.6% | 4.0% | 2.23% | 4.52 | 12.04 | |
| Materials | 21.40% | 2.52% | 1.18 | 18.54 | 27.12 | 14.16 | (31.6%) | 16.7% | 1.8% | 4.64% | 5.64 | 16.34 | |
| Industrials | 15.68% | 7.97% | 1.19 | 31.92 | 54.23 | 14.69 | (41.1%) | 15.4% | 1.4% | 3.12% | 6.18 | 21.14 | |
| Discretionary | 28.38% | 13.11% | 1.32 | 44.02 | 60.06 | 21.30 | (26.7%) | 28.7% | 0.5% | 2.29% | 6.47 | 32.54 | |
| Staples | 7.38% | 5.58% | 0.64 | 21.96 | 23.01 | 17.65 | (4.5%) | 31.1% | 2.5% | 4.54% | 4.64 | 20.64 | |
| Health Care | 21.07% | 12.59% | 0.75 | 18.05 | 19.73 | 15.29 | (8.5%) | 33.4% | 1.5% | 5.16% | 8.25 | 17.45 | |
| Financials | 34.66% | 11.11% | 1.29 | 13.41 | 18.52 | 10.58 | (27.6%) | 12.2% | 1.7% | 7.39% | 6.69 | 15.30 | |
| Technology | 36.43% | 28.77% | 1.07 | 31.61 | 32.87 | 16.66 | (3.9%) | 76.2% | 0.8% | 2.89% | 6.10 | 28.00 | |
| Telecom | 30.98% | 10.44% | 0.91 | 23.82 | 28.26 | 17.65 | (15.7%) | 18.4% | 0.5% | 3.85% | 9.59 | 21.83 | |
| Utilities | 3.12% | 2.37% | 0.45 | 19.70 | 22.09 | 16.35 | (10.8%) | 10.8% | 3.1% | 4.87% | 3.53 | 19.17 | |
| Real Estate | 28.36% | 2.63% | 0.95 | 24.25 | 25.68 | 17.12 | (5.6%) | 9.6% | 2.4% | 3.91% | 4.67 | 23.75 | |
| Momentum Analysis | | | | | | | | | | | | | |
| Item | Price | ROC 50-Days | 50-DMA | # Days Since Cross | % Dev 50-Day | 200-DMA | # Days Since Cross | % Dev 200-Day | % Dev 50-200 DMA | % From 52-W High | % From 52-W Low | Buy/Sell | |
| Large Cap | 458.97 | 3.98% | 452.04 | 31 | 1.53% | 429.05 | 275 | 6.97% | 5.36% | (3.08%) | 27.79% | Buy | |
| Mid Cap | 506.35 | 3.98% | 507.06 | 32 | (0.14%) | 492.90 | 275 | 2.73% | 2.87% | (5.10%) | 28.14% | Buy | |
| Small Cap | 97.91 | 3.25% | 98.88 | 41 | (0.98%) | 96.48 | 48 | 1.49% | 2.49% | (7.02%) | 32.99% | Buy | |

Performance Analysis



Technical Composite

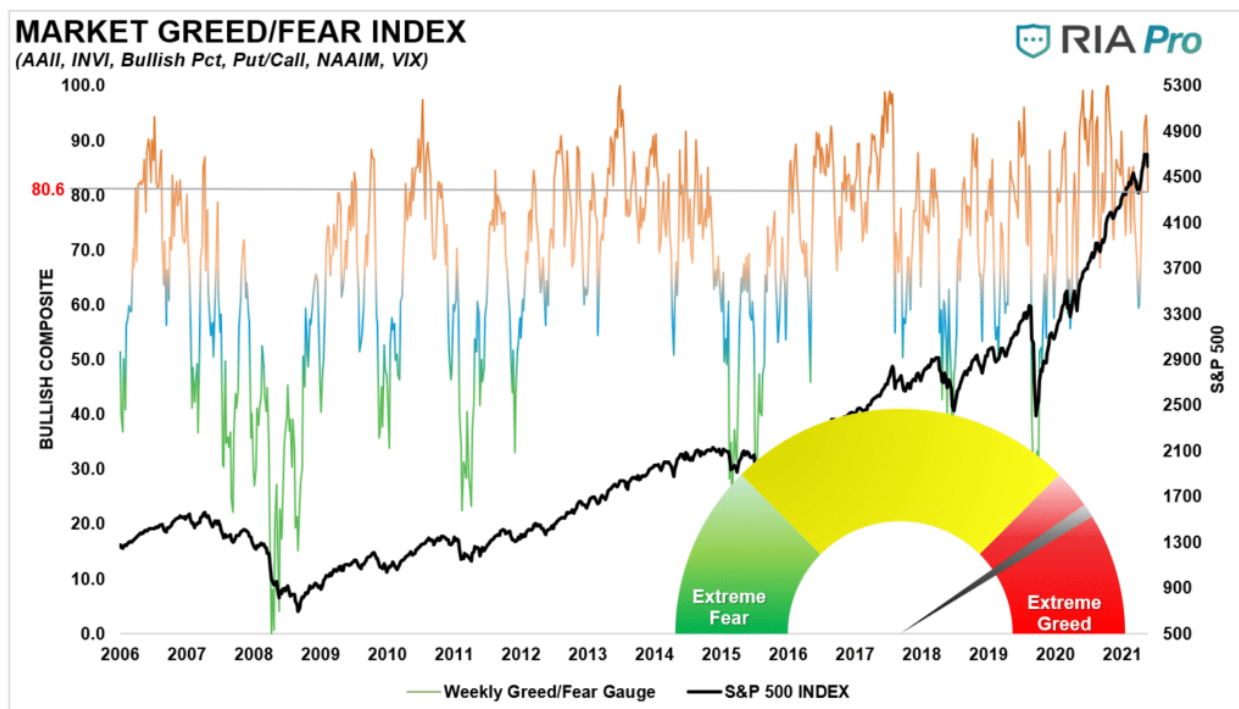
The technical overbought/sold gauge comprises several price indicators (RSI, Williams %R, etc.), measured using "weekly" closing price data. Readings above "80" are considered overbought, and below "20" are oversold. **The current reading is 65.83 out of a possible 100.**



Portfolio Positioning "Fear / Greed" Gauge

Our "Fear/Greed" gauge is how individual and professional investors are "positioning" themselves in the market based on their equity exposure. From a contrarian position, the higher the allocation to equities, to more likely the market is closer to a correction than not. The gauge uses weekly closing data.

NOTE: The Fear/Greed Index measures risk from 0-100. It is a rarity that it reaches levels above 90. The current reading is 80.55 out of a possible 100.



Sector Model Analysis & Risk Ranges

How To Read This Table

- The table compares each sector and market to the S&P 500 index on relative performance.
- "MA XVER" is determined by whether the short-term weekly moving average crosses positively or negatively with the long-term weekly moving average.
- The risk range is a function of the month-end closing price and the "beta" of the sector or market. **(Ranges reset on the 1st of each month)**
- Table shows the price deviation above and below the weekly moving averages.

| RELATIVE PERFORMANCE | | Current | PERFORMANCE RELATIVE TO S&P 500 INDEX | | | | | SHORT WMA | LONG WMA | MONTH END PRICE | REL S&P BETA | RISK RANGE | | % DEV - Short MIA | % DEV - Long MIA | MA XVER SIGNAL |
|----------------------|-----------------|---------|---------------------------------------|--------|----------|----------|----------|-----------|----------|-----------------|--------------|------------|--------|-------------------|------------------|----------------|
| Ticker | ETF NAME | Price | 1 Week | 4 Week | 12 Weeks | 24 Weeks | 52 Weeks | | | | | HIGH | LOW | | | |
| IVV | ISHARS-S&P500 | 460.82 | (2.17) | (0.00) | 1.22 | 8.45 | 26.20 | 453.37 | 437.68 | 460.99 | 0.99 | 472.51 | 449.47 | 2% | 5% | BULLISH |
| XLB | SPDR-MATLS SELS | 86.40 | 0.00 | 1.58 | (0.01) | (8.12) | (5.72) | 84.62 | 84.22 | 85.12 | 1.06 | 88.15 | 82.09 | 2% | 3% | BULLISH |
| XLC | SPDR-COMM SV SS | 77.18 | (0.98) | (3.81) | (10.92) | (11.74) | (8.61) | 81.52 | 80.41 | 80.30 | 0.97 | 83.08 | 77.52 | -5% | -4% | BULLISH |
| XLE | SPDR-EGY SELS | 55.58 | 3.83 | (3.21) | 13.10 | (8.09) | 16.64 | 54.27 | 52.32 | 57.47 | 1.67 | 59.87 | 55.07 | 2% | 6% | BULLISH |
| XLF | SPDR-FINL SELS | 38.77 | 1.53 | (3.62) | 0.62 | (5.23) | 9.97 | 38.98 | 37.67 | 40.26 | 1.18 | 41.74 | 38.78 | -1% | 3% | BULLISH |
| XLK | SPDR-TECH SELS | 165.99 | (0.94) | 2.84 | 2.94 | 8.47 | 9.12 | 159.31 | 150.69 | 161.53 | 1.04 | 167.26 | 155.80 | 4% | 10% | BULLISH |
| XLI | SPDR-INDU SELS | 103.21 | (0.22) | (1.14) | (2.54) | (8.74) | (10.90) | 103.19 | 103.00 | 104.49 | 1.19 | 108.34 | 100.64 | 0% | 0% | BULLISH |
| XLP | SPDR-CONS STPL | 71.96 | 2.04 | 1.08 | (2.41) | (7.91) | (18.67) | 71.45 | 70.87 | 71.25 | 0.63 | 73.48 | 69.02 | 1% | 2% | BULLISH |
| XLRE | SPDR-RE SELS | 47.80 | 1.32 | 0.04 | (3.13) | (3.25) | 3.62 | 47.17 | 45.35 | 47.82 | 0.70 | 49.35 | 46.29 | 1% | 5% | BULLISH |
| XLU | SPDR-UTL SELS | 66.76 | 1.36 | (0.14) | (5.19) | (7.46) | (21.50) | 66.73 | 66.24 | 66.91 | 0.40 | 68.85 | 64.97 | 0% | 1% | BULLISH |
| XLV | SPDR-HLTH CR | 131.97 | 1.41 | (1.30) | (4.79) | (2.49) | (5.62) | 131.72 | 128.36 | 133.82 | 0.75 | 138.17 | 129.47 | 0% | 3% | BULLISH |
| XLTY | SPDR-CONS DISCR | 204.07 | (1.31) | 1.53 | 9.98 | 9.37 | 2.77 | 192.40 | 182.81 | 201.15 | 1.13 | 208.46 | 193.84 | 6% | 12% | BULLISH |
| XTN | SPDR-SP TRANSP | 92.29 | (0.87) | 1.74 | 5.33 | (4.47) | 4.43 | 90.44 | 88.22 | 90.78 | 1.33 | 94.26 | 87.30 | 2% | 5% | BULLISH |
| SDY | SPDR-SP DIV ETF | 123.71 | 0.89 | 0.53 | (1.89) | (10.88) | (9.13) | 122.81 | 123.25 | 123.16 | 0.90 | 127.35 | 118.97 | 1% | 0% | BEARISH |
| RSP | INVS-SPS EQ ETF | 156.46 | 0.17 | (0.74) | (1.49) | (5.64) | (0.24) | 156.39 | 152.72 | 157.76 | 1.10 | 163.44 | 152.08 | 0% | 2% | BULLISH |
| SLY | SPDR-SPE SC | 97.91 | (1.28) | 0.09 | (0.77) | (9.95) | 3.50 | 98.24 | 96.85 | 97.90 | 1.20 | 101.53 | 94.27 | 0% | 1% | BULLISH |
| MDY | SPDR-SP MC 400 | 506.35 | (1.12) | (0.47) | (0.65) | (7.63) | (0.45) | 504.74 | 497.03 | 509.14 | 1.17 | 527.80 | 490.48 | 0% | 2% | BULLISH |
| EEM | ISHARS-EMG MKT | 48.70 | (2.19) | (4.28) | (9.54) | (20.37) | (26.86) | 51.37 | 52.71 | 50.92 | 0.77 | 52.59 | 49.25 | -5% | -8% | BEARISH |
| EFA | ISHARS-EAFE | 77.13 | (1.83) | (4.09) | (7.24) | (13.23) | (18.65) | 80.22 | 79.81 | 80.49 | 0.82 | 83.16 | 77.82 | -4% | -3% | BULLISH |
| IAU | ISHARS-GOLD TR | 33.96 | (1.22) | 0.17 | (3.69) | (13.48) | (26.56) | 34.11 | 34.32 | 33.93 | 0.09 | 34.81 | 33.05 | 0% | -1% | BEARISH |
| GDX | VANECK-GOLD MNR | 32.12 | (2.44) | 1.37 | (4.71) | (24.54) | (32.37) | 32.02 | 34.06 | 31.71 | 0.69 | 32.72 | 30.70 | 0% | -6% | BEARISH |
| UUP | INVS-DB USS BU | 25.77 | 2.24 | 2.14 | 2.99 | (2.62) | (22.13) | 25.22 | 24.86 | 25.25 | (0.11) | 25.85 | 24.65 | 2% | 4% | BULLISH |
| BOND | PIMCO-TOT RETRN | 109.52 | 2.05 | (0.39) | (2.98) | (9.74) | (28.96) | 110.41 | 110.66 | 110.04 | 0.08 | 112.88 | 107.20 | -1% | -1% | BEARISH |
| TLT | ISHARS-20+YTB | 150.53 | 3.63 | 2.00 | 0.37 | (2.67) | (32.25) | 146.86 | 144.52 | 147.69 | (0.23) | 151.05 | 144.33 | 2% | 4% | BULLISH |
| BNDX | VANGD-TTL INT B | 57.15 | 2.04 | 0.93 | (2.02) | (8.69) | (28.59) | 57.07 | 57.21 | 56.67 | 0.03 | 58.10 | 55.24 | 0% | 0% | BEARISH |
| HYG | ISHARS-IBX HYCB | 85.47 | 0.91 | (1.60) | (4.11) | (10.90) | (27.29) | 87.25 | 87.36 | 86.93 | 0.35 | 89.41 | 84.45 | -2% | -2% | BEARISH |



RISK RANGE REPORT



Real Investment Advice

Weekly Stock Screens

Currently, there are four different stock screens for you to review. The first is S&P 500 based companies with a "Growth" focus, the second is a "Value" screen on the entire universe of stocks, and the last are stocks that are "Technically" strong and breaking above their respective 50-dma.

We have provided the yield of each security and a Piotroski Score ranking to help you find fundamentally strong companies on each screen. [\(For more on the Piotroski Score - read this report.\)](#)

S&P 500 Growth Screen

| Ticker | Company | Current Price | Next 3-5 Yr Est EPS Gr rate | 5 yr Hist Sales Gr | Div Yield | P/E using 12 mo EPS | Score |
|--------|-----------------|---------------|--------------------------------|-----------------------|-----------|------------------------|-------|
| LH | Laboratory Cp | 283.73 | 10.56 | 10.39 | 0.00 | 8.78 | 9.00 |
| PAYX | Paychex Inc | 125.08 | 7.50 | 7.31 | 2.11 | 37.90 | 9.00 |
| TMO | Thermo Fisher | 633.00 | 14.00 | 15.68 | 0.16 | 24.67 | 9.00 |
| WRB | Berkley (Wr) Cp | 83.50 | 9.00 | 2.45 | 0.62 | 18.60 | 9.00 |
| CBRE | Cbre Group Inc | 104.24 | 11.00 | 17.33 | 0.00 | 20.60 | 8.00 |
| GOOG | Alphabet Inc-C | 2934.35 | 26.00 | 20.46 | 0.00 | 28.26 | 8.00 |
| GOOGL | Alphabet Inc-A | 2922.40 | 25.82 | 20.46 | 0.00 | 28.14 | 8.00 |
| GPC | Genuine Parts | 136.36 | 11.96 | 3.05 | 2.39 | 20.54 | 8.00 |
| IPG | Interpublic Grp | 34.47 | 12.61 | 5.10 | 3.13 | 13.06 | 8.00 |
| KEYS | Keysight Tech | 199.66 | 8.54 | 11.13 | 0.00 | 34.78 | 8.00 |
| TER | Teradyne Inc | 150.83 | 19.88 | 14.86 | 0.27 | 26.42 | 8.00 |
| TGT | Target Corp | 248.76 | 14.40 | 8.56 | 1.45 | 19.09 | 8.00 |
| WST | West Pharm Svc | 433.72 | 27.65 | 11.17 | 0.17 | 54.83 | 8.00 |
| AMD | Adv Micro Dev | 157.80 | 46.20 | 24.54 | 0.00 | 73.06 | 7.00 |
| BRK.B | Berkshire Hth-B | 287.28 | 7.00 | 2.20 | 0.00 | 26.09 | 7.00 |
| CDNS | Cadence Design | 183.47 | 18.17 | 10.83 | 0.00 | 69.23 | 7.00 |
| CVX | Chevron Corp | 117.19 | 5.53 | -3.74 | 4.57 | 21.08 | 7.00 |
| EXR | Extra Space Stg | 204.32 | 11.35 | 8.12 | 2.45 | 31.58 | 7.00 |
| JBHT | Hunt (Jb) Trans | 200.23 | 15.00 | 11.22 | 0.60 | 31.78 | 7.00 |
| KLAC | Kla Corp | 413.30 | 16.17 | 18.21 | 1.02 | 25.58 | 7.00 |
| MTD | Mettler-Toledo | 1518.25 | 17.88 | 5.99 | 0.00 | 46.51 | 7.00 |
| ODFL | Old Dominion Fl | 358.83 | 27.60 | 8.59 | 0.22 | 44.35 | 7.00 |
| QCOM | Qualcomm Inc | 180.71 | 15.31 | 6.05 | 1.51 | 24.22 | 7.00 |
| CDW | Cdw Corp | 199.79 | 13.10 | 7.74 | 1.00 | 26.43 | 6.00 |
| CHRW | Ch Robinson Wwd | 98.26 | 9.00 | 5.94 | 2.08 | 17.39 | 6.00 |
| EMR | Emerson Elec Co | 94.23 | 8.70 | 1.07 | 2.19 | 22.98 | 6.00 |
| EVRG | Evergy Inc | 65.53 | 6.11 | 22.17 | 3.49 | 17.90 | 6.00 |
| LOW | Lowes Cos | 252.63 | 14.64 | 8.05 | 1.27 | 21.93 | 6.00 |
| LRCX | Lam Research | 660.79 | 17.01 | 12.74 | 0.91 | 22.05 | 6.00 |
| MPWR | Monolithic Pwr | 552.58 | 25.00 | 22.24 | 0.43 | 126.45 | 6.00 |
| PTC | Ptc Inc | 110.00 | 13.73 | 9.24 | 0.00 | 40.59 | 6.00 |
| TSCO | Tractor Supply | 225.82 | 9.61 | 12.72 | 0.92 | 27.11 | 6.00 |
| ANSS | Ansys Inc | 390.05 | 11.89 | 14.68 | 0.00 | 66.56 | 5.00 |
| AZO | Autozone Inc | 1855.05 | 10.24 | 6.06 | 0.00 | 19.38 | 5.00 |
| FAST | Fastenal | 60.89 | 9.00 | 8.76 | 1.84 | 39.28 | 5.00 |
| JKHY | Jack Henry Assc | 152.81 | 14.00 | 5.26 | 1.20 | 35.46 | 5.00 |
| NVDA | Nvidia Corp | 326.74 | 21.55 | 22.52 | 0.05 | 98.19 | 5.00 |
| HD | Home Depot | 412.11 | 12.17 | 9.24 | 1.60 | 27.38 | 4.00 |

Low P/B, High-Value Score, High Dividend Screen

| Ticker | Company | Current Price | Price/ Book | ROE 5 Yr Avg | Div Yield | Score |
|--------|-----------------|---------------|-------------|--------------|-----------|-------|
| GSBD | Goldman Sac Bdc | 18.98 | 1.19 | 11.56 | 9.48 | 9 |
| AGNC | Agnc Investment | 16.03 | 0.92 | 13.37 | 8.98 | 8 |
| BABB | Bab Inc | 0.78 | 1.93 | 14.92 | 5.13 | 8 |
| ETD | Ethan Allen Int | 23.88 | 1.75 | 10.27 | 4.19 | 8 |
| NL | NI Inds Inc | 6.47 | 0.86 | 12.72 | 3.71 | 8 |
| NLY | Annaly Cap Mgmt | 8.46 | 1.01 | 12.30 | 10.40 | 8 |
| NMFC | New Mountn Fin | 13.62 | 1.01 | 10.16 | 8.81 | 8 |
| WBA | Walgreens Bai | 46.62 | 1.69 | 19.95 | 4.10 | 8 |
| WMC | Western Ast Mtg | 2.21 | 0.61 | 10.05 | 10.86 | 8 |
| ACNB | Acnb Corp | 29.39 | 0.95 | 11.18 | 3.40 | 7 |
| AEP | Amer Elec Pwr | 83.82 | 1.87 | 10.52 | 3.72 | 7 |
| BCSF | Bain Capital | 15.25 | 0.90 | 10.87 | 8.92 | 7 |
| CAG | Conagra Brands | 31.60 | 1.76 | 17.59 | 3.96 | 7 |
| CFFI | C&F Finl Cp | 50.00 | 0.86 | 11.42 | 3.20 | 7 |
| FFBC | First Fin Bc-Oh | 25.21 | 1.08 | 10.05 | 3.65 | 7 |
| FLIC | First Long Is | 22.02 | 1.24 | 10.81 | 3.63 | 7 |
| FNLC | First Bancp Inc | 31.95 | 1.47 | 12.14 | 4.01 | 7 |
| HPE | Hewlett Pkd Ent | 14.86 | 1.14 | 10.34 | 3.23 | 7 |
| HVT | Haverty Furnit | 32.21 | 1.97 | 12.01 | 3.10 | 7 |
| IBCP | Indep Bk Mich | 23.72 | 1.28 | 12.91 | 3.54 | 7 |
| IP | Intl Paper | 47.55 | 1.91 | 25.04 | 3.89 | 7 |
| JHG | Janus Henderson | 46.51 | 1.70 | 11.18 | 3.27 | 7 |
| MNRL | Brigham Mnrls | 22.20 | 1.92 | 12.27 | 7.21 | 7 |
| NEWT | Newtek Bus Svcs | 30.16 | 1.86 | 11.98 | 11.94 | 7 |
| NHTC | Natural Hlth Tr | 7.09 | 1.32 | 25.04 | 11.28 | 7 |
| NRIM | Northrim Bcp | 45.14 | 1.16 | 11.19 | 3.37 | 7 |
| NTIP | Network-1 Tech | 2.83 | 1.10 | 11.29 | 3.53 | 7 |
| PFG | Principal Finl | 73.93 | 1.22 | 11.75 | 3.41 | 7 |
| SAFT | Safety Ins Grp | 79.56 | 1.28 | 11.75 | 4.52 | 7 |
| SBSI | Southside Bancs | 43.87 | 1.61 | 10.06 | 3.01 | 7 |
| TCPC | Blackrk Tcp Cap | 13.61 | 0.97 | 11.62 | 8.82 | 7 |
| TRTN | Triton Intl Ltd | 60.55 | 1.80 | 14.64 | 3.77 | 7 |
| UBCP | Utd Bancorp -Oh | 15.50 | 1.29 | 10.78 | 3.81 | 7 |
| UGI | Ugi Corp | 44.91 | 1.77 | 11.95 | 3.07 | 7 |
| USB | Us Bancorp | 59.84 | 1.83 | 14.10 | 3.07 | 7 |
| UVE | Univl Insur Hld | 15.70 | 0.99 | 16.02 | 4.08 | 7 |
| WASH | Wash Tr Bancorp | 57.85 | 1.80 | 13.81 | 3.60 | 7 |
| WAYN | Wayne Svgs Bcsh | 26.00 | 1.20 | 10.91 | 3.23 | 7 |
| WSBF | Waterstone Finl | 21.47 | 1.22 | 11.11 | 3.73 | 7 |

Fundamental Growth Screen

| Ticker | Company | Current Price | Next 3-5 Yr Est EPS Gr rate | 5 yr Hist Sales Gr | Div Yield | P/E using 12 mo EPS | Score |
|--------|-----------------|---------------|--------------------------------|-----------------------|-----------|------------------------|-------|
| TMO | Thermo Fisher | 633.00 | 14.00 | 15.68 | 0.16 | 24.67 | 9.00 |
| LH | Laboratory Cp | 283.73 | 10.56 | 10.39 | - | 8.78 | 9.00 |
| WST | West Pharm Svc | 433.72 | 27.65 | 11.17 | 0.17 | 54.83 | 8.00 |
| GOOG | Alphabet Inc-C | 2,934.35 | 26.00 | 20.46 | - | 28.26 | 8.00 |
| GOOGL | Alphabet Inc-A | 2,922.40 | 25.82 | 20.46 | - | 28.14 | 8.00 |
| TER | Teradyne Inc | 150.83 | 19.88 | 14.86 | 0.27 | 26.42 | 8.00 |
| TGT | Target Corp | 248.76 | 14.40 | 8.56 | 1.45 | 19.09 | 8.00 |
| IPG | Interpublic Grp | 34.47 | 12.61 | 5.10 | 3.13 | 13.06 | 8.00 |
| GPC | Genuine Parts | 136.36 | 11.96 | 3.05 | 2.39 | 20.54 | 8.00 |
| CBRE | Cbre Group Inc | 104.24 | 11.00 | 17.33 | - | 20.60 | 8.00 |
| AMD | Adv Micro Dev | 157.80 | 46.20 | 24.54 | - | 73.06 | 7.00 |
| ODFL | Old Dominion Fl | 358.83 | 27.60 | 8.59 | 0.22 | 44.35 | 7.00 |
| CDNS | Cadence Design | 183.47 | 18.17 | 10.83 | - | 69.23 | 7.00 |
| MTD | Mettler-Toledo | 1,518.25 | 17.88 | 5.99 | - | 46.51 | 7.00 |
| KLAC | Kla Corp | 413.30 | 16.17 | 18.21 | 1.02 | 25.58 | 7.00 |
| QCOM | Qualcomm Inc | 180.71 | 15.31 | 6.05 | 1.51 | 24.22 | 7.00 |
| JBHT | Hunt (Jb) Trans | 200.23 | 15.00 | 11.22 | 0.60 | 31.78 | 7.00 |
| EXR | Extra Space Stg | 204.32 | 11.35 | 8.12 | 2.45 | 31.58 | 7.00 |
| MPWR | Monolithic Pwr | 552.58 | 25.00 | 22.24 | 0.43 | 126.45 | 6.00 |
| LRCX | Lam Research | 660.79 | 17.01 | 12.74 | 0.91 | 22.05 | 6.00 |
| LOW | Lowe's Cos | 252.63 | 14.64 | 8.05 | 1.27 | 21.93 | 6.00 |
| PTC | Ptc Inc | 110.00 | 13.73 | 9.24 | - | 40.59 | 6.00 |
| CDW | Cdw Corp | 199.79 | 13.10 | 7.74 | 1.00 | 26.43 | 6.00 |
| TSCO | Tractor Supply | 225.82 | 9.61 | 12.72 | 0.92 | 27.11 | 6.00 |
| CHRW | Ch Robinson Wwd | 98.26 | 9.00 | 5.94 | 2.08 | 17.39 | 6.00 |
| NVDA | Nvidia Corp | 326.74 | 21.55 | 22.52 | 0.05 | 98.19 | 5.00 |
| JKHY | Jack Henry Assc | 152.81 | 14.00 | 5.26 | 1.20 | 35.46 | 5.00 |
| ANSS | Ansys Inc | 390.05 | 11.89 | 14.68 | - | 66.56 | 5.00 |
| AZO | Autozone Inc | 1,855.05 | 10.24 | 6.06 | - | 19.38 | 5.00 |
| HD | Home Depot | 412.11 | 12.17 | 9.24 | 1.60 | 27.38 | 4.00 |

Aggressive Growth Strategy

| Ticker | Company | Current Price | Next 3-5 Yr Est EPS Gr rate | 5 yr Hist Sales Gr | Div Yield | P/E F1/ LT EPS Gr | Score |
|--------|-----------------|---------------|--------------------------------|-----------------------|-----------|----------------------|-------|
| CTRA | Coterra Energy | 21.09 | 55.04 | 1.48 | 5.69 | 0.09 | 9.00 |
| PAYX | Paychex Inc | 125.08 | 7.50 | 7.31 | 2.11 | 4.81 | 9.00 |
| INFO | Ihs Markit Ltd | 129.78 | #N/A | 9.52 | 0.62 | #N/A | 8.00 |
| KRG | Kite Realty Grp | 22.37 | 7.94 | (7.15) | 3.22 | 2.08 | 8.00 |
| LSCC | Lattice Semicon | 79.48 | 10.00 | 1.21 | - | 11.04 | 8.00 |
| LSI | Life Storage | 135.01 | 3.63 | 7.07 | 2.55 | 7.43 | 8.00 |
| WST | West Pharm Svc | 433.72 | 27.65 | 11.17 | 0.17 | 1.86 | 8.00 |
| AMD | Adv Micro Dev | 157.80 | 46.20 | 24.54 | - | 1.43 | 7.00 |
| CDNS | Cadence Design | 183.47 | 18.17 | 10.83 | - | 3.88 | 7.00 |
| EXR | Extra Space Stg | 204.32 | 11.35 | 8.12 | 2.45 | 2.63 | 7.00 |
| IRT | Indep Realty Tr | 25.83 | 2.00 | 9.14 | 1.86 | 16.14 | 7.00 |
| MAA | Mid-Amer Apt Cm | 210.56 | 2.00 | 6.71 | 1.95 | 15.09 | 7.00 |
| NSA | Natl Storage | 63.31 | 12.71 | 19.82 | 2.59 | 2.26 | 7.00 |
| RMBS | Rambus Inc | 27.31 | #N/A | (9.62) | - | #N/A | 7.00 |
| SPG | Simon Property | 169.03 | 8.74 | (3.34) | 3.55 | 1.66 | 7.00 |
| SRC | Spirit Realty | 47.15 | 6.31 | (6.71) | 5.41 | 2.35 | 7.00 |
| TSLA | Tesla Inc | 1,116.00 | 37.50 | 43.03 | - | 7.08 | 7.00 |
| XLNX | Xilinx Inc | 230.05 | #N/A | 8.41 | 0.64 | #N/A | 7.00 |
| ADC | Agree Rlty Corp | 70.12 | #N/A | 29.02 | 3.88 | #N/A | 6.00 |
| EXPO | Exponent Inc | 122.26 | #N/A | 7.11 | 0.65 | #N/A | 6.00 |
| FRT | Fed Rlty Inv | 131.70 | 8.41 | 1.36 | 3.25 | 2.85 | 6.00 |
| MLAB | Mesa Labs Inc | 315.25 | #N/A | 9.85 | 0.20 | #N/A | 6.00 |
| MPWR | Monolithic Pwr | 552.58 | 25.00 | 22.24 | 0.43 | 4.48 | 6.00 |
| REXR | Rexford Ind Rty | 72.07 | 12.79 | 27.65 | 1.33 | 3.47 | 6.00 |
| ANSS | Ansys Inc | 390.05 | 11.89 | 14.68 | - | 5.81 | 5.00 |
| FDS | Factset Resh | 469.07 | 8.50 | 6.93 | 0.70 | 4.53 | 5.00 |
| NVDA | Nvidia Corp | 326.74 | 21.55 | 22.52 | 0.05 | 4.19 | 5.00 |
| TYL | Tyler Tech Inc | 514.53 | #N/A | 12.20 | - | #N/A | 5.00 |
| CPT | Camden Ppty Tr | 170.69 | 4.43 | 5.15 | 1.95 | 7.17 | 4.00 |
| CTRE | Caretrust Reit | 20.71 | #N/A | 11.59 | 5.12 | #N/A | 4.00 |
| EPRT | Essential Pptys | 28.48 | 12.34 | 28.29 | 3.51 | 1.75 | 4.00 |
| FFIN | First Fin Bk-Tx | 54.14 | #N/A | 12.22 | 1.11 | #N/A | 4.00 |
| STOR | Store Capital | 34.26 | #N/A | 16.30 | 4.49 | #N/A | 4.00 |
| AIRC | Apartment Reit | 53.15 | #N/A | #N/A | 3.31 | #N/A | 3.00 |
| CRM | Salesforce.Com | 289.17 | 16.75 | 26.40 | - | 8.03 | 3.00 |
| PDFS | Pdf Solutions | 31.05 | #N/A | (3.25) | - | #N/A | 3.00 |

Portfolio / Client Update

This past week, we took no substantive actions in portfolios. Such is because Thanksgiving week usually trades on very light volume.

?Given the more exceeding levels of FOMO in the market currently, we remain weighted towards equity risk. Therefore, from a portfolio management standpoint, we must continue to press for portfolio returns for clients. However, don?t mistake that as a disregard for the underlying risk.

*Over the last two weeks, we took profits in overbought and extended equities (F, NVDA, AMD). We also shortened our bond duration by trimming our longer-duration holdings. Such actions rebalanced portfolio risk short-term. **In addition, we run a 60/40 allocation model for our clients; such left us slightly underweight equities and bonds and overweight cash.***



The best opportunity to increase equity would come from a correction in early December as mutual funds distribute their annual gains. Such would provide a better entry point for the year-end *"Santa Claus Rally."*

As we move closer to the end of the year, I will review our annual performance in both primary models and discuss what we expect as we head into 2022. With the Fed on course to taper their balance sheet, and the market forecasting 3-rate hikes, next year will likely be an entirely different *"ball game."*

Portfolio Changes

There were no changes this past week.

As always, our short-term concern remains the protection of your portfolio. Accordingly, we remain focused on the differentials between underlying fundamentals and market over-valuations.

Lance Roberts, CIO

Have a great week!